COUNTY OF LOS ANGELES



FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE LOS ANGELES, CALIFORNIA 90063-3294 (323) 881-2401

P. MICHAEL FREEMAN FIRE CHIEF FORESTER & FIRE WARDEN

June 3, 2005

TO: EACH SUPERVISOR

FROM: P. MICHAEL FREEMAN

HEALTH HAZARDOUS MATERIALS DIVISION CAL-ARP FEES FISCAL YEAR 2004-05

This Department implements the California Accidental Release Prevention Program (Cal-ARP) under the auspices of the Unified Program. Over the past several years, we have brought forward fee proposals to recover our costs associated with implementing the Cal-ARP program. This memo is to inform the Board that Cal-ARP program fees will increase in this year's invoices (FY 2004-05).

The Cal-ARP program regulates high risk chemical facilities through a program of planning and prevention. Cal-ARP staff reviews extensive plans, conduct audits, site inspections, and accident investigations. This Department's Health Hazardous Materials Division (HHMD) consolidates implementation of various hazardous materials/waste programs as a State Certified Unified Program Agency (CUPA).

Each year annual fees are determined based on the program costs, the number of regulated facilities, and the chemicals handled by those facilities; in accordance with County Code Section 12.64.050 and as approved by the Auditor-Controller. Comparative figures for the past two years are summarized as follows:

	FY 02-03	FY 03-04	FY 04-05
Number of Facilities	459	370	329
Total Risk Units	35,2325	27,606	25,281
Program Annual Cost	\$644,812	\$668,883	625,207
Risk Unit Rate Billed	\$18.30	\$18.30	\$24.73

Each Supervisor June 3, 2005 Page 2

Although facilities will experience an increase in the (risk unit) billing rate this year, this rate has not significantly changed in the past two billing years. In Fiscal Year 03-04, this Department decided to keep the risk unit rate the same as Fiscal Year 02-03. The total program cost is less this year; however, rates are increasing because of a smaller number of facilities, and hazardous materials inventory reductions or substitutions. Variations in the risk unit rate are caused by the number of facilities and their inventory levels to spread the program costs. Staffing has also been reduced accordingly.

For Fiscal Year 05-06 we will be proposing a new fee methodology that will address concerns related to fees and the additional hourly rates used in the current methodology. This matter will be set for your consideration at a public hearing on June 28, 2005.

If you have any questions, please call me at (323) 881-2401 or your staff can contact William Jones, Chief, Health Hazardous Materials Division, at (323) 890-4042.

PMF:ml

c: David E. Janssen, Chief Administrative Officer Violet Varona-Lukens, Executive Officer Vicky Santana, Deputy Randi Tahara, Deputy Joseph Charney, Deputy Rick Velasquez, Deputy Sussy Nemer, Deputy